

these successive "dummy" transfers is of course obvious—namely, to throw dust in the eyes of the creditors (who were numerous and heavy), and to prevent any responsible person being, even nominally, owner of the line. That is the history of the line down to 1889, in February of that year. Then from that time Mr. Gray worked the mine and line (and works the mine still) under the name of the "Fernhill Colliery Company." A bank account was opened for him, and Mr. A. H. Logan operated on it in his name. Gray is a working collier; he managed the colliery, and Mr. A. H. Logan looked after the books. The business was financed in a mysterious fashion; bills were flying about, and so forth, but we will hear more of them afterwards. "The Government Railways Act, 1887," and the 1889 amendment of the Public Works Act, were passed, and the Shag Point Railway case (*Hazlett, &c. v. Glendining*) was decided in 1890–91. In 1891 a petition was presented to this Honourable House, as stated in the second paragraph of the petition. This present petition is practically a transcript, up to paragraph 10, of that original petition. Now, in that original petition—I will not weary you by reading it again—it is stated that, in or about February, 1889, James Gray "acquired the Fernhill Colliery, including all the rights of the company and its successors to and in the Fernhill Branch Railway, and to and in all the rent, interest on cost of construction, or other compensation claimed in connection." That petition is founded on the basis that James Gray was owner of the railway then—in 1891; and the Committee recommended the Government to purchase the railway, which was represented to be "James Gray's private property." This recommendation was unfortunately not carried out. We have procured a draft of the 1891 petition, and, strangely enough, a difficulty seems to have arisen as to who was the proper person to petition. This was solved by my learned friend, Sir Robert Stout, inserting the name of "James Gray," in his own handwriting, which sets any doubts at rest as to what knowledge Sir Robert Stout had, at the time, as to the facts.

*Sir Robert Stout*: I was quite willing to give it over on payment of the money.

*Mr. Macgregor*: However, nothing was done; Gray continued to work the mine and railway-line up to March, 1892, when the mine ceased working. The Bank overdraft was called up, and the sinews of war came to an end. Consequently the work stopped; the mine was idle or practically idle for about eleven months. The railway-line stood idle also; but Gray, who is a working collier, had to stand by it all that time. A coal-mine is a property which, if left to itself, will depreciate, and on that account, if for no other, Gray had to stand by the mine. Hamill, another of the petitioners, who was in charge of the railway for many years, had also to remain looking after the line itself; and so they continued until early in this year—January or February, I think, of 1893. Mr. Gray early this year made a fresh start, and has, from February to the present day, occupied and worked the mine as his own private property, without the assistance of Mr. A. H. Logan or any other person. Then, we have the Railway Commissioners' account of how they came to step in; but I understand that some letters were laid on the table, as passing between Sir Robert Stout and the Railway Commissioners. Curiously enough, and significantly too, on the 22nd of January, 1893, Sir R. Stout writes one to the Railway Department in which Gray is attacked behind his back:—

"DEAR SIR,—

"Dunedin, 22nd January, 1893.

"Mr. James Gray, who was, or is, lessee of the Fernhill Coal-mine, has openly threatened to lift the sleepers and rails of the Fernhill Railway-line. I respectfully ask you, as this line is vested in the Railway Commissioners (the Supreme Court having so decided in the case *re* the Shag Point line), to see the Fernhill line is not touched by any one. I am entitled, as equitable owner of the line; and the reason Mr. Gray has made this threat is because I decline to allow him the use of the line for nothing.

"Yours obediently,

"A. Grant, Esq., Railway Department, Dunedin."

"ROBERT STOUT."

This, of course, brought about an open rupture between Sir Robert Stout and Mr. Gray, and the Railway Commissioners have, no doubt properly, from their point of view, insisted on Gray relinquishing his right, or alleged right, to this railway-line. Gray, like a determined man, resolved to stick up for his rights, until compelled to desist by actual physical force. He was evicted by strength of numbers, and, on account of his persistence, was eventually prosecuted by the Commissioners, and fined £3 for insisting on his right to work the line, which, he said, was his own private property, and which Sir Robert Stout said, in 1891, was his property. There the matter has rested until the present. Gray is in occupation of the mine; he is a practical collier, and is working the mine for a living. He has now resigned to the inevitable, having made an arrangement with the Railway Commissioners for running the coal out of the mine by the line on their terms. I do not know what those terms are. That is how the case stands at present, and the object of the petitioners coming here is, in view of the projected legislation by the Government, to endeavour to have justice done to them by providing for their claims. The petitioners themselves will give evidence. They are all here except Mr. Beal. As to Mr. Beal, his case is identical with that of Mr. Denniston, and Mr. Denniston will satisfy the Committee of the genuineness of his claim—of both claims. Messrs. Gray, Hamill, and Andrew, will give evidence before the Committee, who will also hear the case of Mr. Toomey. In Mr. Andrew's case, the company leased his coal-mine; and they also constructed part of the railway-line on three acres of his land, without, almost, saying by your leave; they helped themselves to his ballast, they constructed the line with his ballast, and they have ever since occupied his three acres of land without paying him a sixpence for it. They took ballast from his ballast-pit worth £160 at a low estimate of price, but they have never paid him a sixpence for that. He has asked for it, but has never got it; one explanation being that the company had been, from its inception, like a good many other New Zealand companies, in a chronic state of "hard-up" through want of capital. Gray's claim is simply for wages, that have accrued to him in working this coal-mine. Mr. Hamill's claim is for a balance of wages, due to him for working the railway; he is a platelayer. Mr. Gray is a coal-miner. Mr. Toomey's claim is for moneys lent, or advanced by him—£6 on one cheque and £50 on another cheque. This £50 cheque represents the proportion that Mr. Toomey had to pay, or was compelled to pay, of James Gray's overdraft at the Colonial Bank in Dunedin, while he was trading under the name of the Fernhill Colliery Company, in conjunction with Mr. A. H. Logan, after the latter's bankruptcy.